What is claimed is:

1. A method for converting an annuity fund to a life insurance policy at a predetermined conversion date comprising the following steps: establishing an annuity fund including selecting an initial predetermined value and purchasing an annuity for the initial predetermined value, establishing an irrevocable life insurance conversion plan including selecting the predetermined conversion date, selecting a predetermined mortality death benefit at the predetermined conversion date, converting the annuity fund to the life insurance policy with the predetermined mortality death benefit at the predetermined conversion date, disbursing the death benefit to the beneficiary at the death of the owner of the life insurance policy.

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2. The method for converting an annuity fund to a life insurance policy of Claim 1 further including purchasing a guaranteed insurability option to guarantee the availability of the predetermined mortality death benefit at the predetermined conversion date.

3. The method for converting an annuity fund to a life insurance policy of Claim 2 further including accruing investment income within the annuity fund until the predetermined conversion date.

4. The method for converting an annuity fund to a life insurance policy of Claim 3 further including accruing income within the life insurance policy until the death of the owner of the life insurance policy.

5. The method for converting an annuity fund to a life insurance policy of Claim 1 further including accruing investment income within the annuity fund until the predetermined conversion date.

6. The method for converting an annuity fund to a life insurance policy of Claim 5 further including accruing income within the life insurance policy until the death of the owner of the life insurance policy.

7. The method for converting an annuity fund to a life insurance policy of Claim 6 further including purchasing a guaranteed insurability option to guarantee the availability of the predetermined mortality death benefit at the predetermined conversion date.

8. The method for converting an annuity fund to a life insurance policy of Claim 1 further including accruing income within the life insurance policy until the death of the owner of the life insurance policy.

9. The method for converting an annuity fund to a life insurance policy of Claim 8 further including purchasing a guaranteed insurability option to guarantee the availability of the predetermined mortality death benefit at the predetermined conversion date.

10. A system for converting an annuity fund to a life insurance policy at a predetermined conversion date comprising the following steps of selecting a plurality of plan parameters including an initial value of the annuity fund, an amount of the initial mortality death benefit and a date for converting from an

annuity phase to an insurance phase, entering the plurality of plan parameters into a processor includes a data base, storing the plurality of plan parameters in the processor and selectively calculating the value of the annuity fund and death benefit during the annuity phase and selectively calculating the value of the death benefit during the insurance phase.

11. The system for converting an annuity fund to a life insurance policy of Claim 10 further including selectively displaying the calculated values.

12. The system for converting an annuity fund to a life insurance policy of Claim 10 further including selectively printing the calculated values.

13. The system for converting an annuity fund to a life insurance policy of Claim 10 further includes entering the plurality of plan parameters, the cost of the guaranteed insurability option and a periodic plan management fee into the data base.

14. The system for converting an annuity fund to a life insurance policy of Claim 13 wherein the data base includes the plurality of plan parameters, incremental investment income, cost of the guaranteed insurability option and periodic management fee, and the processor includes calculating means to selectively calculate the beginning of year fund value, net amount at risk, cost of insurance, investment income, end of year fund value, corridor percentage and total death benefit.

15. The system for converting an annuity fund to a life insurance policy of Claim 14 further including inputing the investment income into the processor and calculating the plan values comprises deriving the beginning of year fund value as the previous end of year fund value less the periodic plan management fee, the net amount at risk during the annuity phase as the difference between the total death benefit at the date of conversion and the end of year fund value at date of conversion; the net amount at risk during the insurance phase as the difference between the year end total death benefit and the previous year end fund value; the cost of insurance during the annuity phase as determined by the amount of selected initial death benefit, issue age of person and conversion age of person; the cost of insurance during the insurance phase as determined by actuarial rates in the database; the end of year fund value as the beginning of year fund value less the cost of insurance increased by the investment income; the total death benefit during the annuity phase as determined by the actual value of the fund at the time of death and the total death benefit during the insurance phase as equal to the corridor percentage of the beginning of year fund value or the selected initial death benefit which ever is greater.

16. The system for converting an annuity fund to a life insurance policy of Claim 15 wherein the values can be calculated for any particular period or over the span of the fund plan by the processor.

17. The system for converting an annuity fund to a life insurance policy of Claim 15 further comprises displaying values of the plan.

18. The system for converting an annuity fund to a life insurance policy of Claim 17 further comprises printing the values of the plan.

19. The system for converting an annuity fund to a life insurance policy of Claim 18 further comprises transmitting the values to an external terminal.

20. A method to establish and administer a plan convertible for an annuity to a life insurance policy at a predetermined conversion date upon the selection of a plurality of plan parameters.

21. The method of Claim 20 comprising the following steps: establishing an annuity fund including selecting an initial predetermined value and purchasing an annuity for the initial predetermined value, establishing an irrevocable life insurance conversion plan including selecting the predetermined conversion date, selecting a predetermined mortality death benefit at the predetermined conversion date and purchasing a guaranteed insurability option to guarantee the availability of the predetermined mortality death benefit at the predetermined conversion date, accruing investment income within the annuity fund on a tax deferred basis until the predetermined conversion date, converting the annuity fund to the life insurance policy with the predetermined mortality death benefit at the predetermined conversion date, accruing income within the life insurance policy until the death of the owner of the life insurance policy and disbursing the death benefit to the beneficiary at the death of the owner of the life insurance policy.

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